

# Office of Attorney General Terry Goddard



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## **Terry Goddard Renews Call for Price-Gouging Law**

(Phoenix, Ariz. - April 25, 2006) Responding to the sharp runup in gas prices, Attorney General Terry Goddard today called again for a state law to criminalize price gouging and criticized a Bush administration letter for attempting to pass the buck.

For the past three years, including the current legislative session, Goddard has sought an anti-price-gouging statute, but the State Legislature has failed to approve it. Twenty-eight states currently have such laws. Goddard also testified before Congress last November in support of a federal law to make price-gouging illegal.

"As we saw last fall when gas prices spiked after Hurricane Katrina, market forces in the oil industry are not working for consumers," Goddard said. "The consolidation of companies, allowed by the Federal Trade Commission, makes a mockery of price competition. Combined with the lack of an effective federal energy policy, consumers are being exploited while the oil industry is racking up record profits."

Goddard reacted skeptically to a letter he received today from the Bush Administration, urging him and other state attorneys general "to enforce vigorously" state laws against "any anticonsumer conduct" in the oil industry. The letter was signed by Attorney General Alberto Gonzales and Federal Trade Commission Chairman Deborah Majoras.

"Today's high gas prices are a national issue needing federal action, which has been sorely lacking," Goddard said.

"The federal government has the investigative resources and the legal authority to hold the oil industry accountable. The letter is a shameless attempt to shift that responsibility to the states. I've repeatedly asked for federal action against high gas prices, but the FTC and Department of Justice have done next to nothing. In fact, FTC Chairman Majoras told Congress last fall that \$8-a-gallon gas was OK and would show that the market was working."

Following the steep rise in prices last September in the wake of Hurricane Katrina, the Attorney General's Office opened an investigation under the state's consumer fraud and antitrust laws.

"That investigation underscored the need for a law against price gouging," Goddard said. "Some price increases may have been illegal, if such a law were in effect. But they were legal under existing Arizona laws."

Goddard emphasized that an anti-gouging law is only part of the effort needed to bring down high gas prices.

"We need to promote energy alternatives such as solar power and hybrid technologies," he said. "We also need to increase the nation's gasoline refining, storage and distribution capacities. One important step would be moving forward with the proposed \$2.5 billion refinery in southwestern Arizona."

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